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STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
OFFICE OF YOUTH SERVICES
820 Mililani Street, Suite 817
Honolulu, Hawaii 96813

June 20, 2003

TO: Aaron S. Fujioka, Administrator
State Procurement Office

THROUGH: Lillian B. Koller, Director
Department of Human Services

FROM: Sharon L. Agnew, Executive Director
Office of Youth Services

SUBJECT: REQUEST TO UTILIZE AFTER-THE-FACT SECONDARY PURCHASE

Pursuant to the Department of Accounting and General Services, Hawaii Administrative Rules, 3-143-608, Secondary Purchase of Competitive Purchase of Service, the Office of Youth Services (OYS) is requesting approval to utilize after-the-fact secondary purchase of contingent nursing services for the youth incarcerated at the Hawaii Youth Correctional Facility (HYCF). The OYS procured a nursing contract with the Department of Public Safety (DPS) as an after-the-fact secondary purchase for services to June 30, 2003 with an option to extend for three (3) additional years. As a result of the recent nurses' labor strike, whereby the nurses were awarded substantial salary increases, one of the two nursing services vendors was reluctant in extending the current contract agreement because the compensation by the State was too low. Subsequently, the DPS issued a new Request for Proposal (RFP) with higher wage costs for services that are competitive with current nurses' wages. The OYS is requesting to utilize after-the-fact secondary purchase in order to have acceptable contingent nursing services effective by July 1, 2003.

The OYS is requesting approval to execute a contract for nursing services until June 30, 2008 to ensure that vital medical services to youth incarcerated at the correctional facility continue. As an on-call nursing service for correctional facilities is a very specialized area, very few agencies are able and willing to provide these services. The OYS would anticipate very similar results, regarding the vendors that responded to the RFP issued by the DPS, if the OYS were to procure these services directly. A multi-year contract period, consistent with the primary purchaser, is an extremely efficient manner to maximize the limited resources of state agencies to procure very similar specialized services.

Description of the Nursing Services:

The nursing services provider shall provide the HYCF with nurses who are capable of providing a full range of professional nursing skills from assessment of needs to treatment of a wide variety of patient illnesses, i.e., administering medication, operating special equipment, reacting to

emergency situations and conditions, and who are capable of treating patients with the goal of maintaining or improving health care conditions.

The nursing services will only be used on a contingent basis when there is insufficient HYCF nursing staffing to cover required nursing responsibilities. Currently two (2) of the three (3) nursing positions at the HYCF are vacant. HYCF requires 12 hours of nursing coverage on any given day. These nursing contracts will provide the necessary nursing staffing coverage whenever the HYCF nursing staff is not available.

General Information on Primary Purchaser:

Name of Purchasing Agency: Department of Public Safety (DPS), State of Hawaii

Contact Person:

Wesley Mun

Phone No.:

587-2536

General Information on Nursing Service Providers:

Provider and Contract No.:

BCP, Inc. dba Nursefinders of Hawaii
PSD-03-HCD-21-A

Provider and Contract No.:

ALTRES Staffing, Inc. dba ALTRES Medical
PSD-03-HCD-21-B

Provider and Contract No.:

Island Staffing Services, Inc.
PSD-03-HCD-21-C

Contract Period:

Department of Public Safety (Primary Purchaser): Date of contract execution to June 30, 2008
OYS (Secondary Purchaser): July 1, 2003 to June 30, 2008

Contract Amounts (Subject to Availability of Funds/Utilization Rates):

The exact contract amounts for both the primary purchasers and secondary purchaser can not be determined as the contract amounts are ultimately determined by the rate of use during the contract period. However, past service use can provide reasonable patterns of expenditures to determine if the secondary purchaser does not exceed the 30% of the total contracted amount (both primary and secondary purchasers). The primary purchaser, Department of Public Safety, expended approximately \$860,000 for nursing services in FY 2003 and anticipates expending similar amounts, per fiscal year, for nursing services during the up-coming contract period. During FY 2003 HYCF expended \$43,259.45 for nursing services and also anticipates expending similar amounts, per fiscal year, for nursing services in the up-coming contract period.⁴⁵

Mr. Aaron S. Fujioka
May 13, 2003
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Statement Regarding Similarity of Service:

The services being purchased by this after-the-fact secondary purchase is substantially similar to the services purchased by the primary purchaser.


Difference Between the Primary and Secondary Purchase:

The Primary Purchase requires the service provider to provide nursing services to the correctional facilities operated by the Department of Public Safety on the islands of Oahu, Hawaii, Maui, and Kauai. The service location of the Secondary Purchase for nursing services will be at the Hawaii Youth Correctional Facility located in Kailua, Oahu, Hawaii. All other provisions of the secondary purchase contract shall remain in force.

Previous discussions with DPS indicate there are no concerns regarding this request. In the future, OYS will be requesting a Planned Secondary Purchase for the nursing services at the youth facility. Your attention in this matter is appreciated.

If you have any questions, please call Cal Sagara at 587-5723.

APPROVED/~~DISAPPROVED~~:



Aaron S. Fujioka, Administrator
State Procurement Office

6/25/03

Date

Chief Procurement Officer Comments:

After-the-Fact contracts are intended when it is not practicable to complete a competitive purchase of service due to reasons such as limited or uncertainty of need or a small expenditure. A contract longer than one year is appropriate as a planned secondary purchase as the continuing need is known and an estimate of the quantity of services is disclosed to all potential applicants. This request is approved from July 1, 2003 until June 30, 2004 or until a competitive procurement is conducted and contract executed whichever occurs first.